



Recommended Adjustments 2019-20 Board of Education's Proposed Budget

December 3, 2019

Recommended Adjustments to BOE 2019-20 Budget

Background

- June 18 BOE approval of Interim Budget pending final State Budget
- June 27 Legislative Conference Committee approves State Budget
- June 28 Governor Veto
- Since then a series of “mini-bills” legislated are signed into law.....
- Yet no comprehensive State Budget
- Legislative action in January for other adjustments / compensation changes?

Recommended Adjustments to BOE 2019-20 Budget

Background

- Must move forward to reconcile 2019-20 Budget
- Implement state compensation changes approved so far
- Recommend final locally funded compensation changes & implement
- Set base for building 2020-21 Proposed Budget

Recommended Adjustments to BOE 2019-20 Budget

Today

- Present final recommendations for locally funded compensation changes
- Present recommendations to balance Board's 2019-20 Budget
- Request direction & next steps for approval

Recommended Adjustments to BOE 2019-20 Budget

Reconciliation Recommendations

- Based upon all State Legislated/Governor approved mini-bill legislation
- All funding for multi-year initiatives to be used for those initiatives:
 - Non-Certified Compensation increases*
 - Maintenance & Operations funding
 - Social Emotional Learning positions
 - Instructional Support Technicians (Tech Services)
 - K-3 Class Size Phase-in
- Maintains locally funded business cases in the Board's Proposed Budget
- Recommends additional locally funded compensation increases

*Includes plan for lower paid/hard to fill positions and all grades, given the lack of increases impacting all non-certified staff

Recommended Adjustments to BOE 2019-20 Budget

Reconciliation

- Actual carryover funding higher than estimates
- Local other revenue estimate adjusted based upon prior year-end actuals
- State Legislated changes require less local funding*
- New Charter School estimates based upon:
 - End of 2018-19 actual figures
 - Beginning of 2019-20 actual figures
- Appropriation of additional \$2.0m fund balance to reconcile**

*Contingency plans in place should legislature/governor approve changes in the next two quarters that impact local funding

**Funds were appropriated by the Board from a Special Reserve on November 19, 2019, and are available

Recommended Adjustments to BOE 2019-20 Budget

Compensation Adjustments – Non-Certified Personnel

- HB377 provides no salary increases for non-certified personnel
- BOE Proposed Budget estimated state increase greater of \$500 or 1.5%
- Adjusting the proposed budget to HB377
 - State (\$3.2m)
 - Local (\$938k)

Recommended Adjustments to BOE 2019-20 Budget

Compensation Adjustments – Non-Certified Personnel

- One-time \$500 locally funded bonus for all non-certified staff*
 - Bus Driver / Bus Driver Team Lead & Grades 16 → 30
 - School based support staff
 - Central Based support staff
 - Central Bands of Administrator, Technology, & Superintendents Leadership Team

*Funding available & appropriated by BOE from a special reserve at the November 19, 2019 Board Meeting

*To be paid on December 2019 payroll

*WCPSS Staff must be hired and working on December 2, 2019 to be eligible

*Pro-rated for part-time employees

Recommended Adjustments to BOE 2019-20 Budget

Compensation Adjustments – Non-Certified Personnel

- Multi-year funding plan to request \$35m local funding over five years
- Focus on low paid staff & hard to fill positions
- Based upon 10 years of no or limited state legislated annual increases
- Challenge hiring non-certified staff across the spectrum of Grades
- BOE Proposed Budget includes \$3.8m for non-certified compensation
- Two-part recommendation
 - Across the board increase for all Non-Certified Staff
 - Targeted increase for lower paid/hard to fill positions
- First year of a multi-year effort

Recommended Adjustments to BOE 2019-20 Budget

Compensation Adjustments – Non-Certified Personnel

- Recommend a 3% locally funded salary increase* for all non-certified staff
 - Bus Driver / Bus Driver Team Lead & Grades 16 → 30
 - School based support staff
 - Central based support staff
 - Central bands of Administrator, Technology, & Superintendents Leadership Team
- 3% increase effective July 1, 2019
- Effective January 2, 2020 increase minimum bus driver / bus driver team lead**:
 - \$15/hour
 - Maintain current step differential
- Local Funding Requirement - \$3.9m

*3% increase effective July 1, 2019, targeted to begin in January 2020 including retro pay, part-time staff increase pro-rated

**Will require \$1m additional local funding effective July 1, 2020 to maintain \$15/hour minimum on an annual basis

Recommended Adjustments to BOE 2019-20 Budget

Salary Adjustments - Certified Personnel

- HB377 provides step including any salary increase
- BOE Proposed Budget includes $\frac{1}{2}$ % increase to fixed \$ local supplement
- Recommend additional $\frac{1}{2}$ % increase to local supplement*
- Total 1% increase to supplement effective July 1, 2019**
- Adjusting proposed budget to HB 377 for certified personnel
 - State (\$22.8m)
 - Local \$158k

*\$700k funding available for additional $\frac{1}{2}$ % from special reserve appropriated by BOE on November 19, 2019.

**\$700k additional local funding will be required to maintain this beginning July 1, 2020

**Targeted to begin with January 2020 payroll including retro pay

Recommended Adjustments to BOE 2019-20 Budget

Salary Adjustments – Assistant Principals

- HB377 provided step increases to Assistant Principals
- AP schedule based upon Certified Teacher schedule + 19%
- Assistant Principal increases will parallel Certified & effective July 1, 2019

*Targeted to begin with January 2020 payroll including retro pay

Recommended Adjustments to BOE 2019-20 Budget

Salary Adjustments – Principals

- HB377 changes State schedule based on size of school & provides a pay increase
- State adopted new Principal Schedule in 2017-18 w concerns:
 - Unpredictability based upon performance pay component
 - Multiple factors not considered including level of school, years of service, and advanced degrees
- WCPSS adopted new Principal Schedule to mitigate impacts of new State Schedule*

*Initial new WCPSS Principal Schedule approved for 2017-18 year & Final for 2018-19

*5% across the board increase in 2017-18 & minimum 2% increase for 2018-19

Recommended Adjustments to BOE 2019-20 Budget

Salary Adjustments – Principals

- Recommend 2% adjustment increase to WCPSS Principal Schedule*
- Principals continue to be held harmless
- All Principals see at least a 1% increase
- Adjusting proposed budget to HB377 for School Administrators
 - State (\$1.2m)
 - Local (\$419k)

*Targeted to begin with January 2020 payroll including retro pay

Recommended Adjustments to BOE 2019-20 Budget

Local Budget Adjustments – County Appropriation

- Board of Education requested \$519.3m
- Wake County Commissioners approved \$516.0m
- County Appropriation adjustment for 2019-20 (\$3.3m)

Recommended Adjustments to BOE 2019-20 Budget

Local Budget Adjustments – Other Revenues

- Fund Balance Appropriation \$2.0m
- Indirect Cost \$900k
- Interest Earned \$150k
- Parking Fees \$60k
- Tuition and Fees \$14k
- Red Light Camera Fines (\$324k)

Recommended Adjustments to BOE 2019-20 Budget

Local Budget Adjustments

- Extra-duty pay \$1.4m based on prior year expenditures & changes in teacher pay
- Employer matching benefit rates to approved rates \$537k state; \$278k local
- External audit / pension audit fees \$20k
- Transfer M&O local funds to capital for vehicle replacement \$300k

Recommended Adjustments to BOE 2019-20 Budget

Local Budget Adjustments

- Decrease Charter School estimate (\$3.5m) based upon:
 - End of 2018-19 actual figures
 - Beginning of 2019-20 actual figures
- Adjust to actual square footage and acreage (\$448k)
- Remove one-time costs in special projects fund balance reserve (\$107k)
- Savings in Chief of Staff budget (\$45k)

Recommended Adjustments to BOE 2019-20 Budget

Shift Costs to Federal Funding

- Based upon higher than estimated carryover
- Social worker positions (62 MOE) funded by Medicaid - (\$396k) state; (\$63k) local
- Social worker positions (60 MOE) funded by Title IV - (\$383k) state; (\$61k) local
- New safety assistant positions to IDEA VI-B grant - (\$519k) local
- Special education contract dollars to grant funding - (\$300k) local

Recommended Adjustments to BOE 2019-20 Budget

Summary of Recommended Adjustments

Revenue Adjustments	
County Appropriation	(\$3.3) m
Other Revenue Adjustments	\$2.8 m
Total Revenue Adjustments	(\$0.5) m
Expenditure Adjustments	
Salary Adjustments based on HB377 (Certified, School-Based Administrators, Non-Certified)	(\$1.2) m
Local Salary Adjustments for Non-Certified Personnel	\$3.9 m
Extra Duty	\$1.4 m
Employer Benefit Rate Change	\$0.3 m
Charter Schools	(\$3.5) m
Actual Square Footage and Acreage	(\$0.4) m
Remove One-Time Costs in Special Projects	(\$0.1) m
Move Costs to Grants	(\$0.9) m
Total Expenditure Adjustments	(\$0.5) m

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Board Questions & Direction



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